

OKRs vs Strategy



Strategy

Strategic Pillars / Themes

What are they?

Strategic decisions that explain at the highest level how a company differentiates itself in its markets and/or how it will tackle key challenges towards its ultimate goal.

What are they are for?



Formalize and communicate the company strategy.



How-to-win choices. Every choice is a trade-off.



Highlight a company's differentiators.

7 key criteria

- Broad — Applicable to the entire organization.
- Eternal — though not fixed.
- High level / Directional.
- Always applicable — regardless which quarter or year.
- Thematic.
- Requires constant effort.
- Focused on realizing the ultimate goal.

Examples

Be a great place to work

Offer the lowest fare possible

AI first

Offer the best resources & support

Speed is everything

Be a company that clients love to work with



OKRs

Objectives & Key Results

What are they?

High-quality and high-impact goals. The Objective tells you where to go, Key Results measure progress toward the Objective, Initiatives are what you'll do to achieve the Key Results.

What are they for?



Execute strategy and make meaningful progress.



Innovate. Improve performance. Fix problems.



Implement how-to-win choices. Build differentiators.

7 key criteria

- Specific — Relevant only for one, or a few, teams.
- Time-bound.
- Detailed / Actionable.
- Relevant only during a set amount of time.
- Measurable.
- When achieved, you move on to the next.
- Focused on realizing the strategy.

Examples

O: Launch an engaging monthly newsletter

KR: 30% Open Rate

KR: 5% Click Through Rate

O: Be a top place to work in the USA.

KR: Reach top 10 in Fortune 100 best places to work

KR: Improve eNPS from 5 to 30

IMPORTANT



Put a solid process (or software) in place for updating progress and reporting on performance.



Assign a lead to your KPIs and OKRs. The lead is responsible for updating and reviewing progress.



Track KPIs and OKRs alongside each other to get a holistic overview of performance.



Avoid too many OKRs and/or KPIs (max 3-5 per team/individual). Figure out what really matters most.



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